



September 3, 2004

Senator Jeff Angelo
808 West Jefferson
Creston, IA 50801

Representative Bill Dix
317 South Walnut
Shell Rock, IA 50670

Senator Bob Dvorsky
412 Sixth Street
Coralville, IA 52241

Representative Mark Kuhn
2667-240th Street
Charles City, IA 50616

Dear Co-Chairs and Ranking Members,

For their meeting next week, Oversight committee members have asked for a description of the potential future role of our reinvention partner, Public Strategies Group. In anticipation of the meeting, we are providing you with the results the partnership has achieved so far. Thank you for your continued support and encouragement.

Child Welfare Redesign Project

- A redesigned system to improve safety and permanency for Iowa's neglected and abused children was approved in December (2003) by Kevin Concannon, Director of the Iowa Department of Human Services (DHS). The redesign collected ideas from 30 focus groups, 8 town meetings, 43 individual interviews involving more than 1,000 Iowans. Subsequently a design lab involving national child welfare experts and a Project Design Team produced three iterative, public design drafts.
- The redesigned child welfare and juvenile justice system will:
 - focus on better outcomes for kids (instead of process);
 - be more family-centered;
 - leverage community alternatives for low-risk cases;
 - better align resources with needs;
 - focus on children of color;
 - increase cultural sensitivity; and
 - help increase the time workers spend "face to face" while decreasing the time they spend on paperwork.
- Implementation of the new system began in spring, 2004.. An Implementation Team comprised of DHS employees is leading the implementation with the assistance of a Provider Implementation Panel as well as a number of representative workgroups in specific design areas.
- Outcomes – the desired results for kids -- have been finalized in consultation with providers and will be written into all contracts in 2004.
- A contract has been signed with the Center for the Support of Families (CSF) to study case flow and implement documentation reduction approaches by January, 2005.

- Initiatives in the Sioux City and Des Moines area have been funded that are aimed at addressing the disproportionate representation of children of color in the child welfare/juvenile justice system; following a planning period these initiatives will be launched in October, 2004.
- *Community Care*, a new service component, has been added to the DHS service matrix; it allows children and families to voluntarily receive services based on an initial intake assessment and referral from DHS without direct involvement of DHS. New cases falling into this category will receive *community care* beginning October 1, 2004, with all existing DHS eligible cases moving to community care by July 1, 2005.
- A new Child Welfare Quality Assurance system has been approved and will be implemented beginning July 1, 2004. This new, comprehensive QA system responds to recent federal reviews and supports the “learning organization” approach called for in the redesign.

Local Government Project

- A State and Local Government Conference was held in October of 2003 to lay the foundation for creating a better relationship between these two government entities. As a result of the Conference, a State and Local Government Committee was developed. The Committee has been meeting every couple of months and there is deep interest from local government officials to continue. Lt. Governor Pederson along with Black Hawk County Auditor Grant Veeder are chairing the effort. The Committee is not initially debating and discussing policy issues, but rather discussing the right forums for such debate and discussion.
- Also, out of the Conference, a new framework for a better working relationship between local governments and the state was created.
- Legislation was prepared that included a consensus of mandates to be acted on by the legislature. As part of the Legislation, Freedom Community and Voluntary Regionalism concepts were forwarded in the legislature. These concepts, if enacted, will provide additional tools to assist local governments as they look for new ways of delivering services.
- Examples of nearly 100 Iowa local governments implementing innovative ideas to better serve citizens with limited resources are highlighted at n/a. In total, more than 200 Innovative Practices for Iowa local governments have been captured, using the best ideas from around Iowa and the country. These practices are designed to save money and deliver services more effectively. They span the areas of fire service, law enforcement, purchasing, technology, building codes, public health, mental health, parks and recreation, and public works.
- Five “service designs” have been created for local governments, to highlight challenges in key service areas, share successes in addressing the challenges, and engage discussion. Each of them started with bringing together local experts in the topic areas to identify challenges and possible strategies to respond to the challenges. The five service designs are: community engagement, fire protection and EMS, law enforcement, parks and recreation, and technology. All are available at [Website Changed](#).
- The 2003 Legislature created the Local Government Innovations Fund, a \$975,000 fund to encourage and support innovations at the local level. In March 2004, six local governments were recommended to receive awards.

- The State Local Project launched a new website for local governments, na/a, on March 1, 2004. The website provides links to service designs local governments are likely to be interested in, innovative practices, online discussion forums and an online marketplace for buying and selling government goods and services, called “govtmarket.com.”
- “www.govtmarket.com,” provides local governments with increased purchasing options and will help them save money. The website features bulletin boards where Iowa local governments can post goods or services they seek or want to sell. It also allows cities and counties to post planned future purchases to attract interest from other local governments that might want to be included in a joint purchase of the same good or service. In addition, local governments may have surplus personnel capacity that can be shared with other cities or counties.
- Ten workshops were held around the state for local governments. In some cases the service designs were central to the workshop agenda as in the two technology workshops. Information about the service designs and innovative practices was distributed at every workshop.

The workshops primarily focused on how communities and local governments can get the best value from tax dollars by building partnerships and strengthening local control.

Below is a list of the locations for the workshops and the average scores, on a 1-10 basis with 10 being the highest.

Local Government Workshop Score Composite

Workshop Location	Date	Average Score
Cedar Rapids Workshop	4/8/04	8.5
Leadership Workshop	4/14/04	9.0
Waterloo Workshop	4/21/04	7.7
Burlington Workshop	5/3/04	7.0
First Technology Workshop	5/4/04	6.6
Griswold Workshop	5/13/04	7.1
Fort Dodge Workshop	5/18/04	7.1
Spencer Workshop	5/26/04	7.8
Second Technology Workshop	6/2/04	7.7
Mason City Workshop	6/11/04	7.3
Composite Average		7.6

- Additional workshops have included a County Official’s Statewide Workshop, which focused on developing partnerships within the courthouse to promote change, and two Technology Workshops, which focus on sharing and leveraging technology resources.
- Several dozen additional meetings, workshops and facilitations with individual communities or groups of community leaders occurred throughout the state. Some meetings were informational such as in Charles City or Clinton County, while others involved facilitating specific projects or hosting workshops. Those projects have ranged from facilitating the strategic planning meetings with Poweshiek County, to facilitating a process to create consistent building codes for the Metro Advisory Council

(Polk, Warren and Dallas County and City Officials), to providing four different leadership workshops for County Treasurer's and their offices, to assisting the County Recorders' initial planning for their state-wide website to enable access to recorded documents, to facilitating joint GIS planning in Mahaska County.

Charter Agencies Project

- The Department of Natural Resources (DNR) has used Kaizen process redesign to reduce the time needed to receive an approved facility plan for wastewater treatment projects by 75%: from 28 to 4 ½ months. They plan to eliminate the project backlog by April 1, 2005, have 100% of projects meet the projected schedule for completion, and they will issue a construction permit within 30 days after receiving final plans and specifications.
- The time to issue standard air-quality construction permits at the DNR has fallen 87%: the average review time dropped from 62 days to 8. The permit backlog has been nearly eradicated and permit forms have been streamlined. (Reinvention, but not directly related to PSG's work.)
- The Alcoholic Beverages Division is generating over \$7.5 million *more* in revenues than promised to the state's general fund. In part, they credit a variable pricing strategy that being a charter agency allowed them to pursue.
- All six charter agencies have set performance targets to guide what results they plan to improve over the next year and savings/revenue targets for their \$15 million contribution to the state's fiscal bottom line. Highlights from charter agency performance progress:
 1. The Department of Corrections exceeded its goal to lower probation technical revocations by 5%, June 30, 2005. It lowered the rate by 17% as of March 31, 2004 and they exceeded their goal to increase monthly staff referrals for release to the Parole Board by 5%. The increase of staff referrals has risen to 17% since July 2003.
 2. The Department of Revenue continues to improve its taxpayer service contact response rate. They have gone from responding to 96.1% of their taxpayer service contacts within 24 hours in first quarter FY04, to 98.5% in second quarter and 98.6% in third quarter.
 3. Revenue is also issuing 93% of refunds within 60 days. The Department of Revenue reduced the amount of interest paid out on refunds by more quickly issuing refunds, and increased assessments from audit programs, saving a total of \$1,316,778 in FY'04.
 4. The Iowa Veterans Home exceeded its 5% goal, realizing a 16% increase in applications to the Home by implementing a statewide marketing plan. The daily census has risen from the baseline of 706 in FY03 to 725, the average of the first three quarters of FY04.
 5. The Department of Human Services (DHS) increased its percentage of Title IV-E eligible children by over 39%, exceeding its target of 15%. DHS also exceeded its 10% target to increase Medicaid reimbursements for Iowa's schools. The cumulative Medicaid reimbursements for Iowa schools increased by 25.53%, from \$4,260,927 in SFY03 to \$5,348,926 in SFY04.

- The Department of Corrections (DOC) is using its status as a charter agency to save taxpayers money on prescription drugs for inmates. Rather than issuing a typical request for a single-source provider of all pharmaceutical needs, DOC will submit bids to multiple public and private sector providers, while reserving the right to accept portions of any bid submitted. This year alone, DOC saved more than \$200,000 on pharmaceutical products.
- DOC is partnering with the Prairie Meadows Casino and the Animal Rescue League to discuss the creation of two thoroughbred retirement farms near the Newton and Mitchellville correctional facilities. The goal is to provide valuable work opportunities for inmates, aid rehabilitation and provide a humane setting for old or injured horses.
- Examples of how charter agencies have used their special bureaucracy-busting flexibilities and benefits:
 1. DOC, working with the Department of Administrative Services, was able to replace a wrecked car in a few days instead of the usual eight months.
 2. DNR documented the following savings by making their own travel arrangements via the Internet instead of using the state travel contract's provider: Des Moines-San Antonio \$444 instead of \$656; Des Moines-Chicago \$508 instead of \$687. The Department of Revenue did the same, e.g. Des Moines-Indianapolis \$218 instead of \$318.
 3. DNR eliminated the M-40 form, which sped the hiring of interns from 10 days to one day.
 4. DNR saved \$38,281 by replacing contract employees and associated administrative costs with 15 additional FTE positions. This move also eliminated supervisor duplication.
- Furthering these flexibilities, the Legislature this year exempted charter agencies from the requirement to seek approval for out-of-state travel, convention participation, and professional organization memberships from the Executive Council (Governor, Auditor of State, Secretary of State, Treasurer of State, and Secretary of Agriculture).

Reinvention Services

- Civil Rights investigators have cut complaint-processing time in half by closely examining their front-line processes and sharing time-saving ideas throughout the agency.
- The General Services Enterprise's building and grounds maintenance teams boosted customer satisfaction through better communication.
- A team from Economic Development, the Historical Society, and Area COGs streamlined the approval of construction projects that might affect landmarks.
- The creation of a new Department of Administrative Services, the state's "back office" is saving \$12 million a year while continuing to meet the needs of government agencies and of Iowans. Operations and information technology are now managed centrally for all agencies, creating more efficiency and better communications. The department runs like an entrepreneurial business, with flexibility and responsiveness to customers.
- Reinvention accounted for \$85 million needed to balance Iowa's FY04 budget.

- Iowa government has a new “Leadership Agenda” – clear, concise, measurable state priorities to focus its work.
- Everyone can now access detailed and unvarnished information about the performance of every agency in state government via the “Results Iowa” website, at www.resultsiowa.org. The site was launched in December 2003 and is updated quarterly.
- Seven teams from Iowa state government have been selected to participate in a three-part program designed to dramatically improve results through work process redesign. By taking part in an intensive process to reduce backlog, turn-around time, errors and job set-up time, the goal of these teams is to produce better results for government’s customers. Many of the teams already have results to report – view them online at <http://iowa.regov.org>. For example, clients at the Woodward State Hospital-School each have an account for their use. Under the old system, they could only know their account balance once a month. Now they each have a daily balance.
- More than 20 Reinvention forums and workshops have been held around Iowa. They have helped educate Iowans inside and outside of state government about what reinvention means, provided updates on each of the projects and engaged citizens in discussing how government can better serve the state.
- A new online peer-to-peer recognition program has collected success stories, also called “butterfly stories,” from 145 public employees. Each public employee recognized online receives an “Iowa Butterfly Award” to honor exceptional performance. To view a list of award winners, read butterfly stories, or to nominate an award winner visit www.iowabutterfly.org.

Sincerely,

Cynthia P. Eisenhauer